

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of F. Patrick Flynn & Joyce H. Flynn to Sell 100% of the Outstanding Stock of Mesa Crest Water Company (U-333-W) to California-Michigan Land and Water Company, which operates a Water System in Los Angeles County, pursuant to Public Utilities Code Sections 851 and 854.

Application 04-01-024
(Filed January 14, 2004)

**ADMINISTRATIVE LAW JUDGE'S RULING
SETTING HEARING MAY 18, 2004 IN LOS ANGELES**

The owners of Mesa Crest Water Company (Mesa Crest) seek authority to sell all of the outstanding shares of common stock of Mesa Crest and transfer control of the company to California-Michigan Land and Water Company (California-Michigan) or its wholly owned subsidiary.

Mesa Crest serves 710 customers in an area north of Angeles National Forest, Los Angeles County, near the City of La Canada Flintridge. California-Michigan is the owner of East Pasadena Water Company, which serves 2,802 service connections in the East Pasadena area.

Two formal protests of the Mesa Crest application were filed in April by the La Canada Flintridge Country Club, which states that it is Mesa Crest's largest customer, and by a customer, Charles K. Thomas. The protestants allege that formation of a special district to operate the utility would better serve the needs of ratepayers. The protests were filed well beyond the required filing date

(February 22), but by this ruling are received and made part of the record in this case.

This ruling sets an evidentiary hearing at 10 a.m. Tuesday, May 18, 2004, in the Commission's hearing room, 320 West 4th Street, Suite 500, Los Angeles, California 90013.

Applicants are directed to present a witness or witnesses who will be prepared to testify, under oath and subject to cross-examination, on the proposed transfer of ownership, financial and other effects of that transfer on ratepayers, and applicants' analysis of the proposal to form a special district.

Each protestant is directed to present a witness or witnesses who will be prepared to testify, under oath and subject to cross-examination, on the reasons for its protest, the progress and plans for forming a special district, the timetable for such formation, and financial and other effects of a special district formation on Mesa Crest ratepayers.

IT IS RULED that an evidentiary hearing in this matter will be held beginning at 10 a.m. Tuesday, May 18, 2004, in the Commission's hearing room, 320 West 4th Street, Suite 500, Los Angeles, California 90013.

Dated May 7, 2004, at San Francisco, California.

/s/ GLEN WALKER

Glen Walker
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Setting Hearing May 18, 2004 in Los Angeles on all parties of record in this proceeding or their attorneys of record.

Dated May 7, 2004, at San Francisco, California.

/s/ ELIZABETH LEWIS

Elizabeth Lewis

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at

A.04-01-024 GEW/hl2

(415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.